

DECLARATION OF DAVID D. DENTON

I, DAVID D. DENTON, am the age of majority and am competent to testify to the following facts, of which I have personal knowledge. Under the penalty of perjury pursuant to the laws of the United States, I declare:

1. I am Plaintiff in this action. I live in Hampton, Virginia.
2. I previously sued JPMorgan Chase & Co. and Chase Bank for violations of the Virginia Equal Credit Opportunity Act, in both federal and state court.
3. The case in federal court was a class action, which I decided to voluntarily dismiss and refile as an individual action in the Circuit Court for the City of Hampton, Virginia.
4. After I settled and dismissed the previous case against Chase in September of 2018, I learned that Chase had closed my account when I obtained a copy of my credit report in January of 2019.
5. I later learned that Chase claimed that it had closed the account due to inactivity. Chase has not explained or provided its policies and procedures for closing accounts due to inactivity, but to me, I had actively used the card and I paid for it according to the terms of the card.
6. I believed that Chase was retaliating against me for suing them. I learned that Chase claims it sent me a notice it was canceling my card in October of 2018, which to me makes it even more likely that the real reason was retaliation. I also learned that

it is a violation of the Equal Credit Opportunity Act to discriminate against any consumer when they exercise their rights like I did.

7. There are several reasons that I filed this lawsuit. I am a realtor and entrepreneur. My wife and I buy and sell real estate, flip homes, and represent buyers and sellers in residential real estate transactions. Access to credit on favorable terms and a good credit score are critical to my ability to earn my living.

8. I work very hard and pay close attention to my creditworthiness for this reason. When I saw my credit report indicated that the Chase card was closed at the credit grantor's request, I felt like I was going through the ringer all over again.

9. The Equifax website has an article that explains that when an account shows it has been closed by credit grantor, it negatively affects your creditworthiness in several ways: *Written by Equifax Experts on December 9, 2013*

Few things are more humiliating than trying to pay for an item with your credit card only to be told the card is declined. But in addition to the embarrassment this can cause you in a crowded store, the closed account can also impact your credit score.

A creditor may close an account because:

- The card is inactive with no outstanding balance.
- The creditor no longer offers the terms of the account.
- The creditor has reasons that may go undisclosed but that can include an issuer terminating the account based on information in your credit report.

Learning that your account has been closed can be startling because card issuers aren't required to warn you when they plan to deactivate a card or sever your line of credit. Creditors are able to close an account for delinquency, inactivity, or default with no advance notice. And when the account is closed for some other reason, it's only necessary for creditors to inform the cardholder 30 days after the account is closed.

How does having this information on my credit report affect my credit score?

Even when an issuer closes an account, the closed account can still affect your credit score in a couple of ways. The closure affects the average length of your credit history, which factors into your credit score. If the closed account was a longstanding one, it could negatively affect your score.

Your credit score could also be affected if your credit utilization rate—how much of your available credit you are using—is too high as a result of the closure. For example, let's say you have two credit cards, and each card has a \$1,000 limit. One has no balance, and the other has a balance of \$500.

If the creditor closes the inactive card with no balance, your credit utilization rate jumps from 25 percent to 50 percent. Depending on your full credit profile, this can negatively impact your credit score because approximately 30 percent of your score is based on how much of your total credit line is being used (with a high percentage being a red flag to some lenders).

What can I do if an issuer closes my credit card?

Once a creditor closes your card, there are a few steps you can take.

1. Get a copy of your credit report. Check and make sure the account is accurately reported as "closed" or "closed at lender's request." Also scan your report for outstanding balances, and take steps to pay down these outstanding debts. This can help decrease your credit utilization rate and positively impact your score.

Keep in mind that closed accounts do not simply fall off your credit report, and you should periodically check your report to ensure that closed account information has fallen off your report after a certain amount of time:

- Closed accounts paid as agreed can remain on your report for up to 10 years.
- Closed accounts that have been charged off can remain on your report for seven years plus 180 days from the start of the delinquency that led to the charge off.
- Closed accounts in collections can remain on your credit report for seven years plus 180 days from the date the account first became past due.

2. Contact the credit card company. Ask for an explanation of why the card was canceled. Sometimes talking it over with a creditor can be enough to restore the account; other times the decision will stand.

Either way, by contacting the issuer directly you may be able to find out why the creditor closed your account—and you may also learn of any mistakes you made with this account that you should avoid in the future.

3. Take time to reassess your finances after the card is canceled. Whether your card was closed due to inactivity or because of late payments, it's time to assess how you're currently using credit. Should you be putting small purchases on your credit card and paying them off immediately? Or should you stop using your credit card entirely until you've paid down your outstanding balances?

After your credit account is closed, concentrate on adding positive information to your credit file. You can do that by paying your credit card bills on time, keeping your credit utilization rate below 30 percent, and making periodic purchases to prevent your credit card from lapsing into inactivity.

10. Creditkarma also provided similar warning about the negative impact of the creditor closing a card: <https://www.creditkarma.com/credit-cards/i/keep-accounts-active/>

Why should I care about keeping my credit card active?

There are a few reasons why it's important to keep your credit card active.

A closed account could lower your available credit

When a credit card account is closed, it can affect your credit by lowering your credit utilization. Your credit utilization, or how much of your available credit you are using, is calculated by dividing your credit card balance by your credit limit. Some credit scoring models will also look at your overall credit utilization across all cards.

Let's say you have three cards with \$4,000 in total balances and \$16,000 in total credit limits. Your credit utilization is currently 25 percent, which is lower than the recommended 30 percent.

If, however, your account with a \$6,000 credit limit gets closed due to inactivity, your total credit limit would now be \$6,000. Suddenly that \$4,000 total balance equals a credit utilization of 40 percent. Depending on the credit scoring model, that could ding your credit scores.

It could also affect your average age of accounts

Another factor that goes into your credit scores is your length of credit history, and having a credit card close can negatively affect that. So if the credit card company closes a card that is significantly older than your other cards, it could lower your average age of accounts. However, closed accounts can remain on your credit reports for seven to 10 years.

One way some credit scoring models determine your length of credit history is by taking the average age of all of your credit accounts. For example, if you have one credit card that you opened eight years ago and another card that you opened two years ago, your average age of accounts would be five years. If the eight year old card closes, your average account age will decrease.

Some scoring models also consider the age of your oldest account along with your average account age. If it's an old credit card account that is closing, it can negatively impact your credit scores.

11. My previous experience is that Chase is dishonest, I don't trust them.

12. If Chase really closed the account due to inactivity, it should have put the correct notation on my credit report, "closed due to inactivity" so potential creditors will know the accurate reason. In addition to the negative credit effects described by Equifax and Creditkarma, above, placing the "closed by credit grantor" on my credit report makes it look to creditors like I am unworthy of credit and that I did something wrong, when I have done nothing wrong.

13. The fact that Chase is either purposely or negligently placing inaccurate and misleading information on my credit report has caused me great stress, physical symptoms, strain on my marriage, my wife, and my family. The fact that they closed my account approximately one month after the settling the state court lawsuit leaves no doubt in my mind that it was retaliation for filing the lawsuits to begin with.

14. Specific Injuries from this situation include the following:

- a. Fear of applying for best credit
- b. Strain on business (Leveraging Credit)
- c. Person Stress due to dealing with incorrect information impacting our credit

d. Stress induced physical symptoms

e. Marital Pressure due to the stress and trying to support family

15. In October of 2015, I applied by phone as instructed by Chase for \$14,000 for a Chase Slate card in response to a firm offer of credit directed to me by mail. I was asked if I wanted to make a balance transfer then and there on the phone. Which I did make a balance transfer on the phone of \$12,183.24.

16. It wasn't until later that I received a letter stating that the transfer request exceeded the available credit. The letter did not inform me that Chase had reduced the amount of credit based on a credit report.

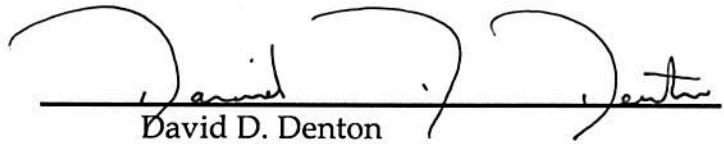
17. I knew I had excellent credit, so I was determined to find out the reason for the adverse action by Chase. I only found out through sleuthing it out myself and calling Chase. One of the people that I talked to told me that Chase had relied on a credit report that showed I was delinquent on my mortgage. That wasn't true, and thus began a long saga of trying to get my inaccurate credit reports corrected resulting in a lawsuit against my mortgage servicer and the credit bureaus.

18. Chase did not provide me the reason that it had taken adverse action by either reducing the the amount of credit that I had been approved for or approving substantially worse terms than I had applied for.

19. Because Chase did not grant me the \$14,000 in credit at 0% for 15 months (for which I had applied) meant that I had no wiggle room for making additional purchases as I paid the required payment on my account each month. I was maxed out on that card. Then, we were involved in litigation from April of 2016 through September

of 2018, and I was cautious to do anything regarding that account other than timely pay it. To me, regular payments is activity on my account. If the regulators meant "purchases" they would have used the word "purchases" in the statute and regulations

Made this 27th day of January, 2020, in Hampton, Virginia,



David D. Denton